



# State of Louisiana

Division of Administration  
Office of the Commissioner

## ***GUIDELINES FOR LINE ITEM APPROPRIATION COOPERATIVE ENDEAVORS*** **Accompanies Executive Order BJ 2008-30: Accountability for Line Item Appropriations**

When submitting cooperative endeavor agreements required by the governor's Executive Order, each agreement must be accompanied by:

- a BA-22 or other appropriate budget form showing funds are available
- a Board Resolution authorizing the person signing the agreement, if the recipient is a corporation, for profit or not for profit
- evidence that recipient is in good standing with the Secretary of State's office if the recipient is required to register with the Secretary of State's office. This may be obtained either from the recipient or from the Secretary of State's website.
- a written explanation of the reasons for delayed submission to OCR for approval, if the agreement is submitted more than 45 days after its effective date

It will be the funding agency's responsibility to negotiate appropriate goals and performance measures with the recipient which accurately reflect the program objectives which must serve a public purpose. The level of detail should correspond to the level of activity within each individual program. For example, funding for equipment for a local government may have very simple, straightforward performance criteria. However, a program providing social services may require detailed performance criteria with multiple goals, activities, etc. to achieve program objectives.

It will be the funding agency's responsibility to ensure that the recipient complies with BJ 2008-30, §2E, and Act 14 of 2013, §18B(1) which require that a comprehensive budget shall be sent to the legislative auditor and the agency showing all anticipated uses of the appropriation, an estimate of the duration of the project, specific goals and objectives for the use of the funds and performance measures. Act 14 further provides that no funds shall be transferred to a public or quasi-public agency/entity which is not a budget unit of the state without approval of the legislative auditor and the transferring agency. Documents should be sent to the Legislative Auditor at P.O. Box 94397, Baton Rouge, Louisiana 70804-9397.

Agreements should not contain authorization for non-governmental recipients to issue grants without disclosing sub-recipients, or at a minimum, the grant application and approval process. However, agreements may anticipate the allocation of funds to non governmental recipients for sub-contracted services provided to meet the Objectives delineated in the Scope of Services and

Deliverables. Those allocations should be detailed on the appropriate Budget documents which identify Professional and Other Contract Services. The effectiveness of those contracted services should be detailed on the quarterly Progress Reports. Sub-recipients shall be subject to the same disclosure provisions as the Contracting Party, and Disclosure Forms shall be included as an attachment to the Cooperative Endeavor.

Disclosures from recipients and sub-recipients which indicate a possible violation of the Code of Governmental Ethics, R.S.42:1101, *et seq.*, must be resolved before sending the agreement to OCR for final approval.

The method of disbursement of funds will be determined by the transferring agency depending on the use of the funds described in the contract.

It is recommended that in most cases where on-going program services are being provided, a cost reimbursement method of payment be utilized to safeguard the funds. Such reimbursements should be made only in accordance with and upon receipt of detailed cost reports and progress reports as described in the contract. Under cost reimbursement contracts where the contractor has other sources of funding available, an initial payment may be made to the contractor in advance of services being performed only with sufficient justification supported by a business plan, and the advance shall be limited to no more than 25% of the total line item appropriation.

Quarterly disbursements in advance of services being performed shall only be approved with sufficient justification supported by a business plan indicating that the line item appropriation is the only source of funding available to the recipient for the intended purpose, and the services cannot be provided without advance funding. Second, third and fourth quarter disbursements shall only be made upon receipt of the cost report for the funding quarter and satisfactory progress reports for all prior quarters showing progress toward goals and objectives being met by the end of the funding period. When the contract term is less than twelve months, partial payments may be adjusted accordingly.

When a business plan is required, the level of detail in the plan should be consistent with the level of activity within the program.

For line item appropriations for funding of equipment or other similar expenditures only, 100% of the line item appropriation may be made in advance where sufficient justification supported by a business plan indicates that there is no other source of funding available to make the purchase to satisfy the goals and objectives of the program.

At the end of the fiscal year, if it is determined that substantial progress has not been made toward the goals and objectives of the agreement, the funding agency shall notify the Commissioner of Administration. The Commissioner will advise the agency whether the contract should be allowed to continue or be extended to provide additional time for the recipient to complete the goals and objectives or whether the agency should seek recoupment.

Line Item Appropriations which merely supplement an existing program initiated by the state agency will not require a separate LIA cooperative endeavor but alternatively, may be handled through an amendment to an existing contract adding the additional funding and any additional scope of work requirements, goals, performance measures, etc. following the normal contract requirements and approvals.